



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 9, 1999

### **S. 330**

### **Methane Hydrate Research and Development Act of 1999**

*As ordered reported by the Senate Committee on Energy and Natural Resources  
on March 4, 1999*

#### **SUMMARY**

S. 330 would authorize the Department of Energy (DOE) to begin a program of research and development in the use of methane hydrate as a source of energy, through grants, contracts, and cooperative agreements with universities and industrial enterprises. Deposits of methane hydrate occur in deep ocean and permafrost areas of the world, and consist of methane-water ice-like crystalline material. Based on information from DOE, CBO estimates that the proposed research program would cost about \$45 million over the next five years, assuming appropriation of the necessary amounts. S. 330 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on the budgets of state, local, or tribal governments.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of S. 330 is shown in the following table. The costs of this legislation fall within budget function 270 (energy).

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	By Fiscal Year, in Millions of Dollars				
	2000	2001	2002	2003	2004
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<b>SPENDING SUBJECT TO APPROPRIATION</b>					
Estimated Authorization Level	5	5	11	12	12
Estimated Outlays	2	4	7	10	12

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## **BASIS OF ESTIMATE**

For purposes of this estimate, we assume that S. 330 will be enacted before the end of fiscal year 1999 and that outlays from the new program would occur at the same rate as observed for similar existing programs. The bill would authorize the appropriation of such sums as are necessary to conduct a research and development program. Based on information in DOE's 1998 program plan for methane hydrate, CBO estimates this activity would require appropriations totaling about \$45 million over the next five years.

**PAY-AS-YOU-GO CONSIDERATIONS:** None.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 330 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on the budgets of state, local, or tribal governments. State universities may benefit from research grants, contracts, or cooperative agreements provided with funds authorized by this bill.

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